G. R. S. IX-5]

Previous references.

191

(Banking)

Later references.

File No. 5 of 96

Serial Nos. 3.

GENERAL AND REVENUE SECRETARIAT.

Serial Nos. 3 —

Major ~~Part~~ B for July 03

SUBJECT.

Inspection Report on the Agri-Cultural Bank at Saloor, Shikarpur Tq

---

W D 88—GPB—50,000—24-7-16

Indexed

6979
H. 1172

189

From The Dy. Comr. of Shimoga District.

(3)

To

The Secretary to the Govt. of Mysore,
Rev. and Gen. Depts.

Should receive immediate attention. —

For Eng. 30/3/98
N 30/3/98

30/3.

Dated 21st March/98

Despatched

Received

General No.
No.

Enclosure No.

Forwarding a letter from the Inspector of Agrl. Banks in Mysore subg his memo on the inspection of the Agrl. Bank at Saloor in Shikarpur TK —

References to be marked.

Recd 29/3

Subd. to Secretary with references for orders as to H.S. 29/3 whether this may be recorded.

29/3/98

N 29/3/98

Yes with the observation that the auspicious points are in Paras. 7, 8 & 10

Gen. 30]

1897-98

From The Inspector of Agricultural Banks in Mysore.

To

The Secretary to the Govt. of Mysore,

General and Revenue Deptts

Thro' the Deputy Commissioner Shimoga District

Dated 12th March 1898

Despatched 17th do

Received

General No. 289

No.

Enclosure No. One Statement

Forwarded to the Secretary to Government, Rev. & Genl. Deptts.

21st Mar. 1898

H. Manjunadayya

In reply to

SUBJECT.

Forwarding a memo on the Inspection of the Agricultural Bank at Saloor, in Shikarpur Taluk

References (to be entered only in the Dewan's Office).

Regd. 1-Mb

Rev 26/3/98

Office of the Inspector of
Agricultural Banks in Mysore
Dated, Bangalore 12th March 1898

No

From

The Inspector of Agricultural
Banks in Mysore

To = The Secretary to the Government of
Mysore, General and Revenue Departments
Bangalore, through the Deputy Commissioner, Shimoga District

Sir

I have the honor to forward herewith a memo on the Inspection of the Agricultural Bank at Saloor, Shikarpur Taluk, made by me during the month of February 1898.

I have the honor to be
Sir
Your most obedient Servant.

M Chungiah
Inspector of Agricultural
Banks in Mysore

Memo of Inspection on the Working of the Saloor Agricultural Bank in the Karpur Taluk, made by the Inspector of Agricultural Banks, in Income, on the 12 and 13th February 1898.

In Government Proceedings No 988-91 / R.J. 164-96 of 23rd July 1897, Sanction was granted for the advance of Rs 1000/- being made to the ryots of Saloor only.

2. The Bank was incorporated as a Company on the 19th of August 1897, and the transactions were commenced from the 20th idem.

3 The Office of the Bank is located in Shanbogue

Hutcha Rao's house, No. 9 in Salvor It has duly been registered on 3rd November 1897.

4. The Bank had 16 members to start with, but 3 of them resigned before the transactions were commenced.

5. The receipt and expenditure, up to the date of inspection are shewn in the accompanying statement, from which it will be seen that loans to the extent of Rs. 3,938 have been granted under Class I on the security of immoveable property.

6. The members have taken loans to the extent of three-fourth of the property mortgaged. Enquiries showed that the lands were undervalued

undervalued at the onset.
Most of the lands are si-
tuated under a river chan-
-nel and the waste lands
lately sold by Government
are stated to have fetched
between 50 and 100 Rupees
per acre. The village is well
populated and there is keen
demand for land. Taking
these circumstances into con-
sideration, the loans now
granted do not call for any
reduction.

7. All the bonds have been
executed in favor of the Bank
and not in the name of
the Agent as required in the
form prescribed by Govern-
ment in their No. $\frac{4175}{R.415}$ dated
the 11th November 1897. No
mention is made in the bonds
as to repayment of debts in
a

a fixed number of years by equal annual instal-ments. The Agent has been asked to hold a general meeting to decide the exact period and instalments in which the loans would be repaid.

8. All the accounts and Books prescribed in para. 7 of the Articles of Association have been maintained. The Agent was directed to maintain one Receipt Book and a Bond Register in addition. In the Cash Book, the information given was not clear, and without the aid of other accounts, the persons to whom loans were granted &c. could not be traced. The Agent was instructed to enter these particulars in the Cash Book in future.

9. Almost all the discharged bonds with the exception of three, to secure which steps have been taken by the Bank authorities, have been secured in the Bank.

10. The Bank authorities have not convened a meeting to discuss the Balance Sheet for the half-year ending 31st December 1897. The Agent was directed to hold a meeting and place the Balance Sheet before it.

11. The affairs of the Bank are on the whole being conducted satisfactorily. The members fully appreciate the benefits accruing from the Agricultural Bank. These had been paying interest at rates ranging from 15

to

To 18 per cent.

[illegible]

Inspector of Agricul-
tural Banks in
Mysore.

[illegible]

Balance Sheet of Saloor Agricultural
up to 13th February 1898.

	Receipt and Liabilities				Amount		
I^s Fun	Amount of advance sanctioned by Government in their Pros: no: 988-91 / RF 116-96 of 23-7-97	4000	-	-			
II Debts due by the Bank	To amount drawn from the Government Treasury	3950	-	-			
	To Deposits	-	-	-	3950	-	-
III Profits	To interest received on Loans	78	13	9			
	Loans repaid	12	-	-	90	13	9
IV Miscellaneous	Entrance fees	6	8	-			
	" other items	"	2	5	6	10	5
	Total Rupees				4047	8	2

By interest paid to Government	56	15	6
establishment	12	"	"
other items	8	14	"
Profit	7	10	8
Total Rs	85	8	2

Office of the Inspector of Agricultural Banks in Mysore
Dated Bangalore 12th March 1898

Bank in the Taluk upon Taluk made

	Charges and Assets				Amount		
I Property held by the Bank	By Furniture	..	..	..	..	..	..
II Debts owing to the Bank	By Loans on Class I on the security of immovable property	3938	..	..			
	do — II on Joint Pro-notes	12	..	..			
	do — III on Joint Instalment Bonds	..	..	..			
	do — IV on Mubadala or Hand loans	..	..	..	3950	..	..
III Remittance to Government	Remittance on account of excess Cash Balance	..	..	..			
	By interest paid to Government	56	15	6	56	15	6
IV Establishment & Miscellaneous	Establishment	12	..	..			
	Contingencies and other items	8	14	..	20	14	..
V Deposits	By refund of deposits	..	..	..	..	..	..
VI Cash and Investments	By Cash in hand	19	10	8	19	10	8
	Total Rupees				4,047	8	2

To interest received	78	13	9
Entrance fees etc	6	10	5
Total	85	8	2

[illegible]
Inspector of Agricultural
Ind. Banks in Mysore

4

(4)

Read

Letter No 289 dy the 12th March 1898, from the Inspector of Agricultural Banks in Mysore, (received through the Dy: Commr, Shemoga Dt) submitting a memo on the inspection of the agricultural Bank at Saloor in the Shikarpur Taluk.

Order thereon

Recorded with the observation that the omissions pointed out in paras 7, 8 & 10 of the memo read above should receive immediate attention.

No 95-27-8
RY 164-96
Dt 1/4/98

Dt 30/3/98

Dt 30/3/98

To The Inspector, Agri Banks in Mysore

The Dy: Commr, Shemoga Dt

Recd 30/3/98 5.30 PM
copd 1/4/98.

105 R 4174 (5)

189

FROM Inspector of Agricultural Banks

To The Secretary to the Govt. of Mysore
General & Revenue Depts

Dated 3rd June 1903

Despatched 5th

Received

General No. 414
No.

Enclosure No. 1 Report

Jamabandi Officer's (Mr. A. Anandarao) Report on the Salur Agricultural Bank, received with the Deputy Commissioner's docket No 1197 dated 19.5.03.

Submitted to the Secretary to the Government of H.H. the Maharaja of Mysore, Genl. & Rev. Departments.

3.6.03 P. Ramakrishna Aiyangar
Inspr. Agt. Bks

7C
[illegible]

[illegible]
8 6.0

P.F.

Report on the inspection of the Agricultural Bank at Salur, Shikarpur Taluk.

1. Date of present inspection.

12th March 1903.

2. Whether there is a duly registered suitable Bank office where members and depositors could call and have their business attended to; and if there had been any change in the office since last inspection, why necessitated and whether duly registered.

2(a) There is a suitable Bank office and it is duly registered.

(b) There was no change.

3. Whether any dates and hours are fixed for transaction of business, whether business is regularly transacted at those dates and hours; if no appointment is thus made, what arrangements exist for the due transaction of business when members and depositors call; and on how many days in a month is business done.

3.(a) No hours and dates are fixed for the transaction of business.

(b) No, as there is no time fixed.

(c) When there is business to be transacted, the members are sent for.

(d) The transaction was not done regularly every month. It is only done on days in which the interest and principal was paid by the members. The members had met on the dates mentioned on the margin.

* Date of meeting

20 · 8 97
23 · 8 97
2 · 9 · 97
29 · 9 98
21 1 99
10 - 9 · 99
20 · 10 99
24 · 10 · 99
21 1 00
31 · 1 00
30 · 6 · 00
25 12 00
31 6 · 01
18 8 01
31 12 01
20 1 02
10 7 · 02
20 · 8 02.

4. Whether the Bank's regis[illegible] deeds, documents, cash balance and [illegible] kept in the Bank premises in the c[illegible]dent and Agent; and if any of th[illegible] where and how they are kept, [illegible] and upon whose responsibility.

4(a) The Bank Registers, accounts & documents &c are kept in the Bank premises in the custody of the President. The agent who is a Government Servant resides in Shikarpur.

He is the Taluk Shroff a relation of the President & some of the other members. When the grave irregularities for which the Agent was responsible were pointed out at my inspection in December 1900, the President promised to have another appointed as Agent. P. Ramabrahmam Inspector

(b) Needs no answer.

5. Whether the villages to which the members belong are sufficiently near (within a radius of five miles) to the Bank house, and duly registered; at what distance do the majority of members, the directors and office-bearers reside; and if business was extended to any new village, whether there was proper sanction for it.

5(a) All the villages to which the members belong are [illegible]

a radius of 5 miles to the Bank house & duly registered.

The majority of members and (b) office bearers reside in Salur.

No. Not extended to any new (c) village.

There were 16 members when (a) 6 the Bank was formed.

(b) Two members named in the margin were removed from the list according to their request as resolved in the Proceedings of the General Assembly dated 20th August 1897.

(c) No new members were added to the list.

d) The Agent says that all the members belong to the divided families

(e) It is in the same state as when the Bank was started.

(a) & (b) No. A complete list of all the 7 properties possessed by the members is not maintained, that is to say the register shows the properties of each member hypothecated to government for the loan they have obtained

6. As regards members, whether and to what extent there has been any increase or decrease in their number since formation of the Bank or last inspection; what was the decrease, if any, due to; were the new members duly qualified, duly elected, and registered; in case of members belonging to a joint Hindu family or otherwise possessing a qualified or limited status, whether there is proper representation of interests involved; whether in the practical working, the Bank has gained or lost in strength, energy and usefulness since formation or last inspection.

1 Gowroji Hneha
2 Hutchd -(Agasara)

7. As regards credit, solvency and resources of members, whether a complete and accurate list of the lands of members is maintained; if not, how is the omission explained; to what extent have fluctuations in the number of members affected the united credit of the Bank. Any notable instances of new acquisition or improvement since formation of the Bank or last inspection; any notable instances of sale or other kind of transfer, relinquishment or deterioration; how these have affected the solvency and resources of the members concerned and of the Association as a whole; what guarantee, if any, has the Bank obtained or the rules of the General Assembly afford against alienations and relinquishments prejudicial to the Bank's interests; compare the *net* amount of the value of property as per latest authenticated list with the amount of liabilities of the Bank at date of inspection.

a radius of 5 miles to the Bank house & duly registered.

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No. Not extended to any new (c) village.

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1 Gowroji Hneha
2 Hutchi -(Agasara)

7. As regards credit, solvency and resources of members, whether a complete and accurate list of the lands of members is maintained; if not, how is the omission explained; to what extent have fluctuations in the number of members affected the united credit of the Bank. Any notable instances of new acquisition or improvement since formation of the Bank or last inspection; any notable instances of sale or other kind of transfer, relinquishment or deterioration; how these have affected the solvency and resources of the members concerned and of the Association as a whole; what guarantee, if any, has the Bank obtained or the rules of the General Assembly afford against alienations and relinquishments prejudicial to the Bank's interests; compare the *net* amount of the value of property as per latest authenticated list with the amount of liabilities of the Bank at date of inspection.

from it; But not properties other than these which they own. The heading of the Register is "members property" or Register.

This omission was pointed out to the Agent in Decr. 1900 and he promised to make the lists in the Register complete and accurate in one month after getting the necessary information from members some of whom were stated to have had lands in other Taluks (3 of them in the Dharwar Dt.) in addition to lands in the Shikarpur Taluk. P. Ramaswami Nizamjee

(c) The decrease in the number of members affected the united credit of the Bank to the extent of Rs 470-0-0

(d) No new acquisition or improvement of the property brought to notice.

(e) There is no relinquishment or transfer.

(f) Needs no reply

(g) No such guarantee as is contemplated in this question has been obtained.

(H) The liabilities of the Bank is Rs 3888 and the value of the property is estimated to be 5731 taking an acre of wet land at Rs 100/- & dry land at 10/-

The President has extensive property and credit but has shown only a small extent of it in the Bank's book. P.R.

8 (a) The limit fixed at the formation of the Bank has neither been increas

8. As regards Bank's funds, note whether the it fixed at formation had been increased or de-ised under due authority; whether the Bank had ts dealings unauthorizedly exceeded the limit and , how is this explained or proposed to be rectified. ssify the Bank's funds at date of inspection with rence to the sources from which they were derived, —entrance fee, contributions, loans from Govern-t, if any, loans from others, deposits from mem- (1) in cash and (2) in grain, deposits from out-rs, debentures etc. Note whether the Bank's it is well established and sustained, or steadily ving; if otherwise, to what extent such result is to any action or omission of the Bank's authorities what other causes are likely to have contributed ; whether the lessons of co-operation, mutual help thrift are understood and practised, if not, incul- them to as large a body of members and outsiders n be gathered.

nor decreased.

(b) No. not exceeded.

(c). No reply necessary

(d). The banks funds on the date of inspection was as follows.

Entrance fee	6-8-0
Contribution	0-0-0
Loans from Government	4100-0-0
— do — from others . .	0-0-0
Deposits from members	0-0-0
— do — from others —	0-0-0
Total	4106-8-0

(e) The bank's credit is in the same state as when established.

(f) Requires no answer.

(g). Not understood. . .

(a) The terms fixed for the repayment of Government loan has not been fulfilled. There is a gross neglect in repaying the loan. The amount of instalment outstanding against the Bank on the date of inspection (according to the terms fixed by the Inspector of Agricultural Banks) is Rs 1200/0. But in accordance to the resolution of the General Assembly of 29th August 98 is Rs 2346.

|| I explained there to the President Agent & other members present and appealed also to the patriotism of the President who is a member of the Representative Assembly. P.R.

9. As regards Government loan, note whether the terms fixed for repayment are duly acted up to or there has been gross delay, dilatoriness or neglect; the amount outstanding against the Bank at date of inspection; whether the loan may be continued subject to the terms allowed for repayment or whether in your opinion it is advisable to withdraw the loan under the provisions of Sections 74 and 75 of the Articles of Association; and state reasons for such opinion briefly and concisely.

(2)

(b) I am of opinion if the Sum of 1600 Rs which will be due to Govt by the end of June next is repaid before that date by the Bank then, the loan might be continued and not otherwise.

10. As regards loans and deposits from others, note the terms allowed, generally in regard to rate of interest and time for repayment; whether the sanction of the General Assembly had been obtained to the rates of interest and other essential terms; whether the obligations incurred were, in any way, in excess of the Bank's requirements or of what local conditions of credit, prudential considerations and the progress and well-being of the Bank justified; whether the Bank authorities are alive to the importance of placing themselves in a position to discharge the obligations incurred, punctually, completely and satisfactorily.

10 Needs no answer as there is no deposit from others.

11. As regards the Bank's transactions, compare the Cash Book with Ledgers, Receipts, Chalans, Cheques, Treasury Pass Book, Contingent and Establishment Registers, Documents etc. Is it posted up from actual transactions as they occur and in the order of their occurrence, and are entries made so clear as to be easily intelligible and traceable through the other accounts? If discrepancies and omissions due to mere oversight or ignorance are found, have them rectified in a business-like manner as far as practicable and note here such as are considered to be grave. In the case of corrections, see if they are initialled by the President and Agent, and if any of the corrections are not satisfactory, note briefly your objections.

11 (a+b) The cash book is compared with the Ledger receipts, Chalans, cheques, & Treasury pass Books & documents & found to be correctly posted as the transactions occurred

(c) yes. The entries are clear & intelligible.

(d) No such discrepancies found out.

(e) The corrections are not initialled by the Agent or the President. The corrections are not unsatisfactory. They are mere clerical.

See if disbursements were duly authorised and are supported by proper vouchers.

(f) yes They are supported by proper vouchers.

Were the charges incurred under Establishment and Contingencies real or fictitious either wholly or in part, and if real, necessary? Is the rule about members rendering gratuitous service duly respected.

(g) Real & necessary

Note date of the last entry in the Cash Book, and the cash balance on that date according to the Cash Book and as forthcoming in the Bank's chest. Are instances frequent of the transgression of the limit fixed in the Articles of Association for cash balance in the hands of the Board of Directors, and how are they explained? Are large sums kept in hand for any length of time without being utilized? Is the facility afforded for keeping current account with the Treasury utilised as far as possible for minimising cash balances, if not, how is the omission explained? Has there been any complaint or ground for the belief or suspicion that needlessly large balances are retained by the Agent or President.

(h) yes.

Note the general results of the Bank's cash transactions up to date of inspection in the appended form and see if the Cash Balance Sheet last submitted by the Bank is correct in all particulars.

RECEIPTS.	Rs. a. p.	EXPENDITURE.	p.
From Treasury ...		To Treasury Current acct. principal repaid ..	
Depositors...		Depositors ..	
Entrance fee ...		,, Members, loan.	
Interest and penalty		,, Govt. on acct. of interest ...	
Loans repaid		Depositors.. ..	
Other items		,, Printing charges ..	
		,, Establishment.	
		Contingencies	

(I) The last entry in the Cash book was on 24th August 1902 and the Cash balance on that date as per cash book was Rs 44-4-9. This was found in the Bank's chest on the 12th February 03, the date of inspection of the Cash Balance.

(J) - No such instances except - in the months of June and December when the interest was being collected by the Bank.

(K) No such case.

(L) - yes.

(M) - No such complaints

The General results of the Bank's cash transaction is as follows

Receipts		Disbursements	
From the Treasury	4100-0-0	To Treasury current account	144-0-0
From Depositors	0-0-0	Principal repaid	68-0-0
Entrance fee	6-8-0	Depositors	0-0-0
Interest	1050-5-8	Members Loan	4100-0-0
Loans repaid	212-0-0	An account of interest	760-1-3
Refunds	0-2-5	Printing charges	0-0-0
		Establishment	174-0-0
		Contingencies	78-10-1
Total	5369-0-1	Total	5324-11-4
		Cash in hand	44-4-9
		Grand Total	5369-0-1

This corresponds with the Cash Balance Sheet Submitted by the Bank on 28th August 02 except a small difference of 0 2 5 in the item of interest paid by the members.

12. As regards loans to members, note if, in addition to the restrictions and limitations prescribed in Section 42 of the Articles of Association, the General Assembly has prescribed any limit with reference to the value of the landed property held by applicants for loan or offered as security by them; whether loans have been granted to any in contravention of these rules, members of joint Hindu family being taken as representing one account; how such transgressions are explained or proposed to be rectified; had any loans been granted to other than members in need or had any deserving applicants been denied to favor particular individuals, and had such instances produced feelings of distrust and discontent and impaired the cordiality and unanimity expected to exist among the body of members; are objects for which loans are applied for, explained with sufficient clearness in the darkhasts; is the application and use made of loans watched by the Board of Directors or other authority; have there been any instances of non-application or misuse, especially of sums obtained having been used by any member for purposes of trading or private banking or money lending.

Note the sums obtained and used for the several purposes indicated in the appended form.

Amount obtained.	Rs.	a. p.	Amount spent.	Rs.	a. p.
1 To discharge encumbrances.			1 For discharging encumbrances		
2 To " other debts.			2 To discharge other debts		
3 For agricultural purposes.			3 For agricultural purposes		
(a)			(a)		
(b)			(b)		
(c)			(c)		
(d)			(d)		
			4 For other purposes		
			(a)		
			(b)		
			(c)		
			(d)		

mortgages in respect of property hypothecated to the Bank had been fully discharged and the mortgage deeds (duly discharged) produced in Bank together with title-deeds; in case of exceptions, when the mortgages are likely to be discharged and their amount; the proportion the loans of first class bear to the amount of property mortgaged; notable cases of undue preference, if any, with explanation; whether good and sufficient personal security was obtained in the case of the second and third class loans; whether in the case of simple debts repaid, documents discharged, receipts, &c., obtained had been produced, and in case of notable exceptions when they are expected to be produced.

Note particulars in the appended form of loans

12 (a) No such restriction has been laid down by the resolution of the general assembly but it has been understood that the loan to members should not exceed 3/4 the value of their property.

(b) No such instance

(c) Needs no answer.

(d) No.

(e) Some darkhasts give the object for which the loan is applied for; Some not & in the case of the former the use and the application of the loan are watched by the Directors

(f) yes

(g) No such case came to notice

(h) List appended

13. The documents are in the proper form and duly registered but a document executed by the President Hricha Roa in

respect of a loan of Rs 100/- obtained on the 26th October 99 has not been registered. Huchappa first obtained a loan of 950 Rs under duly registered hypothecation deed, repaid Rs 100/- out of the same but again borrowed the sum mentioned above. As the original debt of Rs 950 has not been exceeded and properties mentioned in the unregistered deed are the same as those mentioned in the registered deed, the Registration of the latter documents seems to have been considered unnecessary. I have now pointed out the advisability of getting this also registered.

(b+c) Yes. The mortgage deeds have been filed in the Bank office without any exception.

(d) The ratio of loans of I class lands to the amount of property mortgaged is 76·1.

(e) No such instances

(f). No II & III class loans granted

(g). Not produced. Such cases here also not frequent.

(h) Needs no answer.

(i) The loans outstanding against

[illegible] 1903 [illegible]

[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	6 8	—	—	6 8 0
[illegible]	1017 12 6	32 11 7	107 13 4	1158 5 5
[illegible]	—	—	—	—
		32 11 7	107 13 4	1164 13 5

[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	682 / 3	78	78	838 / 3
[illegible]				
[illegible]				
[illegible]	—	—	—	—
[illegible]	156	18	18	192
[illegible]				
[illegible]	5	—	—	5
[illegible]	67 6 /	6 4 0	6 4 0	79 4 /
[illegible]	910 7 4	102 4 0	102 4	1114 5 4

[illegible]

[illegible]

[illegible]

[illegible] 1903 [illegible]

[illegible]				[illegible]				[illegible]						[illegible]
[illegible]		[illegible]		[illegible]		[illegible]		[illegible]	[illegible]					
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	
2440	15/0	2440	15/0	2440	15/0	–	–	–	–	–	–	–	–	

[illegible]

members at the date of inspection are as follows:—

1st class = 3888 Rs.

There are no loans of other classes. The value of the property under mortgage to the Bank is 5381 Rs.

14. As regards punctuality, completeness or otherwise in the payment of dues by members. Note whether the rule requiring strict punctuality is borne in mind and enforced in all practicable cases, or whether there is any unhealthy tendency to evade it; how many are defaulters (1) among office-bearers and (2) among other members; the amount of instalments overdue remaining unrecovered at date of inspection, the amount of 2nd, 3rd and 4th class loans likewise overdue remaining unrecovered; causes of unduly large arrears and large number of defaulters; whether proper notice had been taken of defaults and adequate steps taken for recovery of arrears; whether renewals were granted with prudence and discrimination; whether the interest and penalty due to the Bank had been fully recovered and whether the interest due to Government and to other creditors duly paid; arrears, if any, how explained and when expected to be paid.

14. (a) The strict punctuality of repayment of loan is not observed.

(b) All the members including the office bearers are defaulters.

(c) The amount of instalments remaining overdue at the date of inspection is Rs 2346 in the 1st class — there being no loans of other classes.

(d) Owing to the prevalence of plague and the falling off in the price of grains the members became defaulters.

(e) No steps were taken for the recovery of the arrears.

(f) No renewals granted.

(g) The Interest, with the exception of that due for the half year ending 31st December 02 had, been recovered.

(h) Interest due to Government has been paid up to the end of June 02. The agent says that

the arrears of interest due to Government for the last half year ~~ending~~ had just been paid up. (on the 5th March 03)

(a) The Surplus amounts to 15 Lq. 2. 1 taking into account the arrears of interest to be recovered.

(b) See the Statement appended

(c) Nil.

(d) Requires no answer.

(e) With the Agent.

(f) No Special charges tendered to reduce the Surplus.

(g) No other assets the Bank possess.

15. As regards surplus. Note what this amounts to up to date of inspection, taking into account the arrears remaining unrecovered of interest and other items of income; how much of this has been realized; what amount has been carried to the Reserve Fund by resolution of the General Assembly; how the Reserve Fund is invested; how the remaining surplus is used or secured; whether any and what special charges tended to reduce the surplus; and if the Bank has other assets what they are and their value.

(a) yes as far as the agent is capable of understanding them.

(b) yes.

(c) No extraordinary meeting was held since last inspection

(d) - No notices were issued to members. They were not for.

(e) - No party feeling was noticed

(f). No such instances.

(g) - No

16. As regards meetings of General Assembly, note whether the rules for convening these, the conduct of business therein and the recording and registering of resolutions are understood and duly given effect to; if not, explain the same to the office bearers and others present; note whether meetings had been held regularly every half-year; whether any and what number of extraordinary meetings had been held since last inspection; whether notices had been duly given to members; whether members were generally taking interest in the Bank affairs or whether there was party feeling; whether special resolutions had been duly confirmed and registered; whether any resolutions were inconsistent with the Articles of Association or other provisions of law.

17. As regards Board of Directors, note whether and how often they meet for transaction of business; whether their resolutions are duly recorded in a book; if they do not meet, what arrangements exist for the discharge of their duties and functions and what record exists of their proceedings; whether any and which of them have been taking special interest in and working with zeal for the progress of the institution.

17 (a) The Board of Directors meet with the other members once in 6 months.

(b) No separate register has been maintained to record their resolutions & no special resolution has in fact been passed.

(c) They have not separately met & have not passed any resolutions.

(d) The president and the agent are the only persons taking some interest in the Bank affairs.

18. As regards supervision, whether any and what arrangements the General Assembly had made for control and audit, are they effective and satisfactory.

18(a) 3 auditors have been nominated. They audit the accounts once in 6 months. The auditing seems to be effective.

19. As regards registers and accounts, see appended list, note therein which of them is kept and how.

I. Register of members
II. " of applications for loan
III. Cash book
IV. Ledger
V. Minute book
VI. Register of balance sheets
VII. Property register
VIII Register of monthly cash abstracts
IX. Register of bonds
X Receipts by Bank
XI. Depositors' ledger
XII. Treasury pass book
XIII. Chalan book
XIV. Cheque book
XV. Receipts by members to Bank
XVI. Register of Directors
XVII. Register of Directors' Proceedings
XVIII. Register of appropriation of loans
XIX. " of contingent expenses
XX. " of disbursement of pay to establishment
XXI. " of From letters
XXII. " of To letters
XXIII. Visitors' book

19. The following Registers are kept.

no I Register of members - Kept.
no II - do - application for loan - do -
no III Cash - - - - do -
no IV Ledger - - - do -
no V Minute Book - do -
no VI Register of Balance Sheets - do -
no VII Property Register - - do -
no VIII Register of monthly cash abstracts - do -
no IX Register of Bonds - not kept
no X Receipts by Bank - do -
no XI Depositors Ledger - do -
no XII Treasury Pass Book - Kept
no XIII. Chalan Book - do -

No XIV Cheque Book Kept 76

No XV Receipts by members & Bank } not Kept X

No XVI Register of Directors - not Kept: X

No XVII Register of Director's proceedings - } not Kept X

No XVIII Register of appropriation of loans - - } do - X

No XIX Register of Contingent - do - X

No XX Register of disbursements - do - X

No XXI Register of From letters Kept -

No XXII - do - To do Kept

No XXIII Visitors Book - not Kept. X

20. General remarks regarding the state of the Bank.

So far as the accounts and 20. registers are concerned they have been properly kept.

The only unsatisfactory feature of the bank is that it has not been strict in recovering the instalments from the members and paying the instalment fixed to the Government

The President is old and takes no active interest in the affairs of the Bank. The Agent is intelligent but is indifferent to the best interests of the Bank. As he is employed in the Taluk office the Amildar can speak to him, make frequent enquiries as to the progress of collections, and see that the interest & instalments due to Government are paid in time

[illegible] Ayanjar
3.6.03

R. Anandaram
1st Asst: Commr &
Jamabandy Officer

Shimoga
28th March 903

Cost

27 (6)

Read:-

Letter No 414 & 3.6.03 from the Inspector of Agricultural Banks, submitting the report on inspection by Mr A. Ananda Row, 1st Assistant Commissioner and Jamabandy Officer of the Agricultural bank at Salur, received with docket No 229 & 19.5.03 from the Dy Commissioner, Shimoga District.

Bkg

Order thereon:- No

No R 329 / R.F. 164-96

D

Recorded with the following observations.

2. The present Agent, who is the Taluk Shroff, residing at Shikarpur and who is stated to be related to the President and some of the members is not at all the proper person for the place. The Inspector of Agricultural Banks brings to notice that at the time of his inspection in December 1900, when gra irregularities for which the Agent ag

9/29-7-03

responsible were noticed, the President promised to have another appointed in his stead. More than two years have elapsed and yet the agent has not been changed. The Deputy Commissioner is requested to issue very early instructions for the appointment of a proper person as agent. The name of the new agent and the date of his appointment should be reported to Government.

3. The property register should be completed by having all the properties owned by each member entered therein and verified by the Auildar within a reasonable time to be fixed and when that is done, a report should be made to Government.

4. This bank has failed to pay even one instalment in full, the arrears due to Govt. at the end of June 1903 being Rs 1600. The Dy Commissioner is requested to report at an early date what he proposes to do in the matter.

5. Proper instructions should be issued to the bank as regards

(1) fixing dates and hours for a regular transaction of work, (Vide para 7 of the art: of ass^n).

(2) Securing the bank registers etc in the custody of both the President and the Agent, (Vide para 6 of the art: of ass^n).

(3) taking precautionary measures, by fixing rules, against alienations and relinquishments of lands to the prejudice of the bank's interests, (Vide para 72 of the art: of ass^n)

(4) Enforcing punctual repayment of Govt as well as the bank's dues, ~~and~~ (Vide para 54 of the art: of ass^n) and,

(5) maintaining the following registers and accounts which are reported to have not been kept.

IX, X, XI, XV, XVI, XVII, XVIII XIX, XX and XXIII. (Vide para 7 of the art: of ass^n).

[signature]
28/7/3
Secretary

[signature]
16/7/03

[signature]
23/7/03

R.K.
16/7

To

The Dy Commissioner,
Shimoga Distt